



WELCOME TO OPEN ENROLLMENT

Plan Year: 2019

Your Company



PICK THE BEST BENEFITS FOR YOU AND YOUR FAMILY.

(SAMPLE TEXT)

Your Company strives to provide you and your family with a comprehensive and valuable benefits package. We want to make sure you're getting the most out of our benefits—that's why we've put together this Open Enrollment Guide.

Open enrollment is a short period each year when you can make changes to your benefits. This guide will outline all of the different benefits Your Company offers, so you can identify which offerings are best for you and your family.

Elections you make during open enrollment will become effective on [insert date]. If you have questions about any of the benefits mentioned in this guide, please don't hesitate to reach out to HR.

Table of Contents

	Health Insurance.....	4
	Dental Insurance.....	6
	Vision Insurance.....	7
	Disability Income Benefits.....	8
	Life Insurance.....	9
	Flexible Spending Account.....	10
	Health Savings Account.....	11
	Additional Benefit Offerings.....	12
	Questions and Answers.....	13



WHO IS ELIGIBLE?

If you're a full-time employee at Your Company, you're eligible to enroll in the benefits outlined in this guide. Full-time employees are those who work 30 or more hours per week. In addition, the following family members are eligible for medical, dental and vision coverage:

- [Insert dependent coverage information].

How to enroll

Are you ready to enroll? The first step is to review your current benefits. Did you move recently or get married? Verify all of your personal information and make any necessary changes.

Once all your information is up to date, it's time to make your benefit elections. The decisions you make during open enrollment can have a significant impact on your life and finances, so it is important to weigh your options carefully.

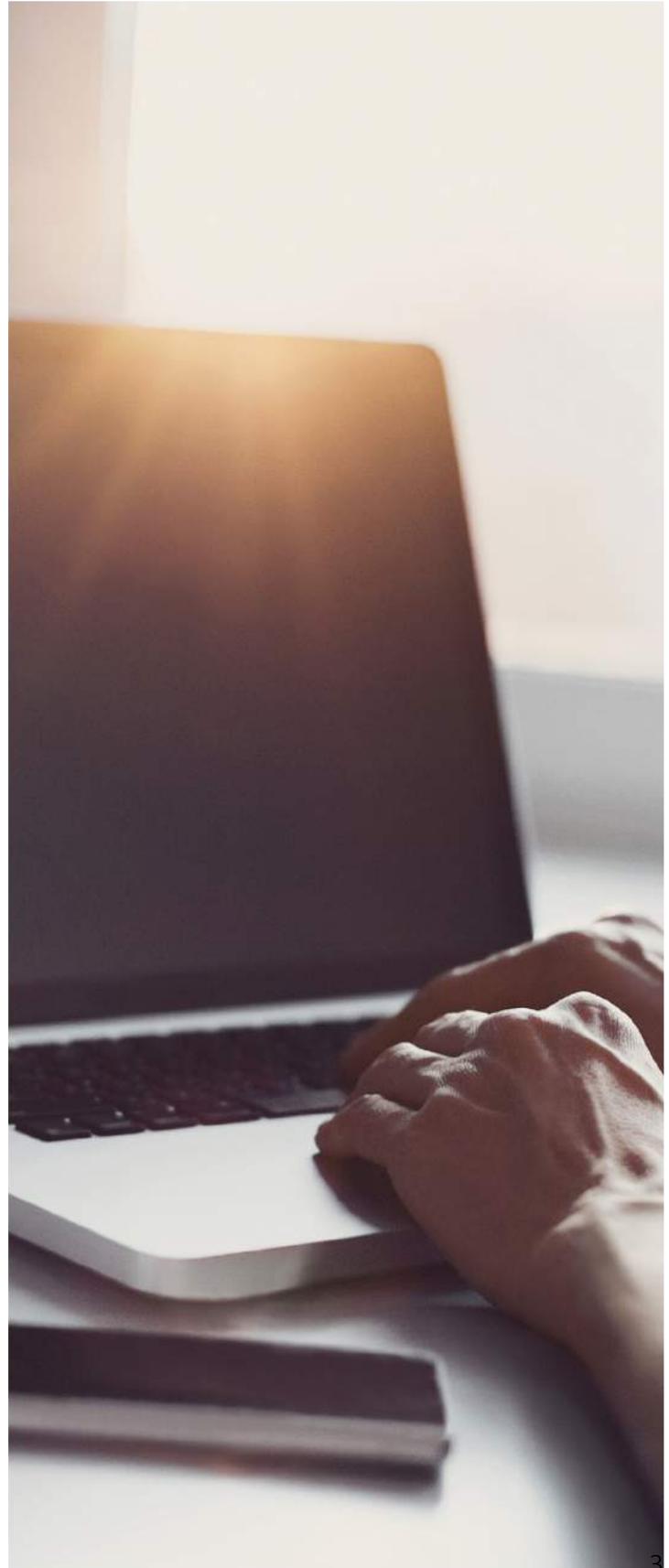
When to enroll

Open enrollment begins on [insert date] and runs through [insert date]. The benefits you choose during open enrollment will become effective on [insert date].

How to make changes

Unless you experience a life-changing qualifying event, you cannot make changes to your benefits until the next open enrollment period. Qualifying events include things like:

- Marriage, divorce or legal separation
- Birth or adoption of a child
- Change in child's dependent status
- Death of a spouse, child or other qualified dependent
- Change in residence
- Change in employment status or a change in coverage under another employer-sponsored plan





WHAT'S NEW FOR 2019-2020

Health Insurance

(Sample text) You'll notice several changes to our medical and prescription drug benefits for the upcoming plan year. Our HMO plan no longer requires you to select a primary care physician or secure a referral from one provider to another. This may allow for quicker and more convenient access to specialty physicians.

HMO vs. PPO?	
<p>HMO:</p> <p>Covers services performed solely by in-network providers. Tends to be a lower cost system, but is more restrictive than a PPO plan.</p>	<p>PPO:</p> <p>Has a network of providers, but also allows for the use of providers outside the plan's network. It is more flexible than an HMO, but is usually more expensive.</p>

The following chart compares our current health benefits to the new benefits that will take effect Jan. 1, 2020.

Services	HMO		PPO	
	Current	As of Jan.1, 2020	Current	As of Jan. 1, 2020
Physician Visit Copay	[Insert benefit details in this chart]			
Deductible (Individual/Family)				
Hospitalization				
Preventive Care				
Emergency Room Copay				
Out-of-pocket Maximum (Individual/Family)				
Prescription Drugs - Retail/Mail Order - Generic - Preferred - Non-preferred				



YOUR COST IN 2019-2020

(Sample text) Good news! Despite rising health care rises and unprecedented changes resulting from health care reform, we are pleased to announce there will be no premium increases for the new plan year. Biweekly payroll deductions will remain as shown:

EMPLOYEE BIWEEKLY DEDUCTIONS				
	Employee Only	Employee & Spouse	Employee & Children	Employee & Family
HMO	[\$[insert dollar amount]	[\$[insert dollar amount]	[\$[insert dollar amount]	[\$[insert dollar amount]
PPO	[\$[insert dollar amount]	[\$[insert dollar amount]	[\$[insert dollar amount]	[\$[insert dollar amount]



DENTAL INSURANCE

(Sample text) In addition to protecting your smile, dental insurance helps pay for dental care and usually includes regular checkups, cleanings and X-rays. Several studies suggest that oral diseases, such as periodontitis (gum disease), can affect other areas of your body—including your heart. Receiving regular dental care can protect you and your family from the high cost of dental disease and surgery.

We're happy to say that there are no cost changes to your dental benefits for 2019-2020. The following chart outlines the dental benefits we offer.

TYPE OF SERVICE	AMOUNT YOU PAY
Preventive Services	Exams, cleanings, X-rays— [insert benefit amount or coinsurance]
Deductible	Applies to basic and major services only— [insert benefit amount or coinsurance]
Basic Services	Fillings, simple extractions— [insert benefit amount or coinsurance]
Major Services	Oral surgery, root canal, crowns— [insert benefit amount or coinsurance]
Annual Maximum	[insert annual maximum amount]
Biweekly Payroll Deductions	Employee only—\$ [insert amount] Employee & spouse—\$ [insert amount] Employee & child—\$ [insert amount] Family—\$ [insert amount]





VISION INSURANCE

(Sample text) Driving to work, reading a news article and watching TV are all activities you likely perform every day. Your ability to do all of these activities, though, depends on your vision and eye health. Vision insurance can help you maintain your vision as well as detect various health problems.

Your Company's vision insurance entitles you to specific eye care benefits. Our policy covers routine eye exams and other procedures, and provides specified dollar amounts or discounts for the purchase of eyeglasses and contact lenses.

If you seek the services of a provider listed in our Preferred Provider directory, your benefits include the following:

- Routine vision exams for a \$25 copay.
- Preferred pricing on a large selection of designer frames, lenses and lens options.
- [\[List other benefits here\]](#)





DISABILITY INCOME BENEFITS

(Sample text) Your Company provides full-time employees with short- and long-term disability income benefits. Without disability coverage, you and your family may struggle to get by if you miss work due to an injury or illness.

At Your Company, we want to do everything we can to protect you and your family. That’s why Your Company pays for the full cost of short- and long-term disability insurance—meaning that you owe nothing out of pocket.

In the event that you become disabled from a non-work-related injury or sickness, disability income benefits will provide a partial replacement of lost income. Please note, though, that you are not eligible to receive short-term disability benefits if you are receiving workers’ compensation benefits.

	Short-term Disability	Long-term Disability
Benefits Begin	[Insert benefits details in this chart]	
Benefits Payable		
Percentage of Income Replaced		
Maximum Benefit		



BASIC LIFE INSURANCE

(Sample text) Life insurance can help provide for your loved ones if something were to happen to you. Your Company provides full-time employees with \$15,000 in group life and accidental death and dismemberment (AD&D) insurance.

Your Company pays for the full cost of this benefit—meaning you are not responsible for paying any monthly premiums. Contact HR if you would like to update your beneficiary information.

VOLUNTARY LIFE INSURANCE

(Sample text) While Your Company offers basic life insurance, some employees may want to purchase additional coverage. Think about your personal circumstances. Are you the sole provider for your household? What other expenses do you expect in the future (for example, college tuition for your child)? Depending on your needs, you may want to consider buying supplemental coverage.

With voluntary life insurance, you are responsible for paying the full cost of coverage through biweekly payroll deductions. You can purchase coverage for yourself or for your spouse in \$10,000 increments. The minimum coverage level is \$20,000 and the maximum is \$300,000. The chart below outlines the monthly costs of purchasing additional coverage.

Monthly Cost for Every \$1,000 of Employee and Spouse Life Insurance Coverage										
Age	<30	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 +
Life	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
AD&D	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Dependent Children	[Describe benefit and monthly cost]									



FLEXIBLE SPENDING ACCOUNTS

(Sample text) Paying for health care can be stressful. That's why Your Company offers an employer-sponsored flexible spending account (FSA).

WHAT ARE THE BENEFITS OF AN FSA?

There are a variety of different benefits of using an FSA, including the following:

- **It saves you money.** Allows you put aside money tax-free that can be used for qualified medical expenses.
- **It's a tax-saver.** Since your taxable income is decreased by your contributions, you'll pay less in taxes.
- **It is flexible.** You can use your FSA funds at any time, even if it's the beginning of the year.

You cannot stockpile money in your FSA. **If you do not use it, you lose it.** You should only contribute the amount of money you expect to pay out of pocket that year.

WHAT IS A DEPENDENT CARE FSA?

Dependent Care FSAs allow you to contribute pre-tax dollars to qualified dependent care. The maximum amount you may contribute each year is \$5,000 (or \$2,500 if married and filing separately).

HOW DO I ENROLL?

Fill out the FSA Enrollment Form during Open Enrollment. Even if you signed up last year, you must re-enroll for 2020.

FSA CASE STUDY

Because FSAs provide you with an important tax advantage that can help you pay for health care expenses on a pre-tax basis. Due to the personal tax savings you incur, your spendable income will increase. The example that follows illustrates how an FSA can save money.

Bob and Jane's live in Texas and have a combined annual gross income of \$45,000. They are married and file their income taxes jointly. Since Bob and Jane expect to spend \$3,000 in eligible medical expenses in the next plan year, they decide to direct a total of \$2,700 (the maximum allowed amount per individual, for that taxable year) into their FSAs. The table demonstrates their savings.

	Without FSA	With FSA
Gross income	\$45,000	\$45,000
FSA contributions	\$0	(-\$2,700)
Gross income	\$45,000	\$42,300
Estimated taxes	(-\$5,532)*	(-\$4,999)*
After-tax earnings	\$39,468	\$37,301
Eligible out-of-pocket expenses	(-\$3,000)	(-\$400)
Remaining spendable income	\$36,468	\$36,901
Spendable income increase	--	\$433



HEALTH SAVINGS ACCOUNTS

(Sample text) Health savings accounts (HSAs) are a great way to save money and budget for qualified medical expenses. HSAs are tax-advantaged savings accounts that accompany high deductible health plans (HDHPs). HDHPs offer lower monthly premiums in exchange for a higher deductible (the amount you pay before insurance kicks in).

WHAT ARE THE BENEFITS OF AN HSA?

There are many benefits of using an HSA, including the following:

- **It saves you money.** HDHPs have lower monthly premiums, meaning less money is being taken out of your paycheck.
- **It is portable.** The money in your HSA is carried over from year to year and is yours to keep, even if you leave the company.
- **It is a tax-saver**—HSA contributions are made with pre-tax dollars. Since your taxable income is decreased by your contributions, you’ll pay less in taxes.

The maximum amount that you can contribute to an HSA in 2019 is \$3,500 for individual coverage and \$7,000 for family coverage. **In 2020, it increases to \$3,550 for individual coverage and \$7,100 for family coverage.**

Additionally, if you are age 55 or older, you may make an additional “catch-up” contribution of \$1,000. You may change your contribution amount at any time throughout the year as long as you don’t exceed the annual maximum.

HSA CASE STUDY

Justin is a healthy 28-year-old single man who contributes \$1,000 each year to his HSA. His plan’s annual deductible is \$1,500 for individual coverage. Here is a look at the first two years of Justin’s HSA plan, assuming the use of in-network providers. (This example only includes HSA contribution amounts and does not reflect any investment earnings.)

Year 1	
HSA Balance	\$1,000
Total Expenses:	
- Prescription drugs: \$150	(-\$150)
HSA Rollover to Year 2	\$850
Since Justin did not spend all of his HSA dollars, he did not need to pay any additional amounts out-of-pocket this year.	



Year 2	
HSA Balance	\$1,850
Total Expenses:	
- Office visits: \$100	
- Prescription drugs: \$200	(-\$300)
- Preventive care services: \$0 (covered by insurance)	
HSA Rollover to Year 3	\$1,550
Once again, since Justin did not spend all of his HSA dollars, he did not need to pay any additional amounts out-of-pocket this year.	



ADDITIONAL BENEFIT OFFERINGS

As a Your Company employee, we are proud to offer you the following benefits paid for by the company:

- [List additional employer-paid benefits and details here]
- [List additional employer-paid benefits and details here]
-

You are also eligible to enroll or participate in the following voluntary programs:

- [List voluntary programs and details here]
- [List voluntary programs and details here]
-

The information in this Enrollment Guide is presented for illustrative purposes and is based on information provided by the employer. The text contained in this guide was taken from various summary plan descriptions and benefit information. While every effort was taken to accurately report your benefits, discrepancies or errors are always possible. In case of discrepancy between the guide and actual plan documents, the actual plan documents will prevail. All information is confidential, pursuant to the Health Insurance Portability and Accountability Act of 1996. If you have any questions about the guide, please contact HR.



QUESTIONS & ANSWERS

What changes are effective Jan. 1, 2020?

- (Sample text)
- Changes to a health plan (for example, changing from an HMO to a PPO)
- Enrollment or termination of individual and/or dependent coverage in a health plan
- Enrollment in a FSA plan
- Enrollment in a pre-tax insurance premium plan
- Changes to the Voluntary Life and AD&D plan

What forms must be completed?

- (Sample text)
- Fill out the Flexible Spending Account Enrollment Form/Direct Deposit Form to enroll, re-enroll or waive enrollment for the new plan year.
- The Pre-tax Insurance Form must be completed by all eligible employees. You must elect to continue having your medical and dental premiums withheld on a pre-tax basis.

If I want to make changes, what forms must be completed?

- (Sample text)
- You must complete the Medical & Dental Enrollment/Change Form to change medical plans or individual/dependent coverage levels in the medical/dental plans.
- Fill out the Voluntary Life and AD&D Enrollment and/or Medical Underwriting Form to sign up for voluntary life and AD&D insurance.

Where do I find these forms?

- (Sample text) Contact HR for these forms.

When are the forms due and where do I return them?

- (Sample text) All forms are due by [insert due date] and must be returned to HR.

Other Information:

- (Sample text)
- New elections must be made in order to continue participating in an FSA.
- If you do not make changes to your current medical and dental elections, those elections will remain the same for the plan year Jan. 1 to Dec. 31, 2020.



ARE THERE EDUCATIONAL OPPORTUNITES AVAILABLE?

Yes. To learn more about Your Company's benefits offerings for the next plan year, please attend an open enrollment meeting.

Open Enrollment Meetings		
Date	Time	Location
[Insert date]	[Insert time]	[Insert meeting location]